

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2687 - HB 3332

February 11, 2012

SUMMARY OF BILL: Requires the Tennessee Student Assistance Corporation (TSAC) to be responsible for the development of student scholarship application forms. Prohibits restrictions or limitations on student eligibility for HOPE scholarships based on adjusted gross income of the applicants, with the exception of those applying for an ASPIRE award, HOPE Access Grant, or HOPE scholarship for non-traditional students. Requires students applying for an ASPIRE award, HOPE Access Grant, or HOPE scholarships for non-traditional students to complete a Free Application for Federal Student Aid (FAFSA). Requires TSAC to develop a short, preferably one page, application form for students applying for scholarships not restricted or limited by adjusted gross income. Specifies that the application form shall not require students to provide TSAC with financial information; however, the form must contain information alerting low-income students to the benefits of filling a FASFA and encouraging them to do so. Requires TSAC to develop and implement the short application form within existing staff and budget for administration of the lottery scholarship programs. The short form application shall be ready for use no later than the 2013-2014 academic year.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$100,100/One-Time/FY12-13/Lottery for
Education Account
\$75,000/Recurring/FY13-14 and Subsequent
Fiscal Years/Lottery for Education Account**

Assumptions:

- Directing an agency to use existing resources to perform a new function does not eliminate the fiscal impact of performing the new function because a new function that has a cost will reduce the agency's reversion, reduce other budget items, or require creation of additional positions to perform duties of the staff redirected to the new function.
- Based on the information received by TSAC, the new application form will be an online form and will require TSAC to utilize an outside contract vendor to ensure that the form interfaces with the current TSAC database. The one-time increase in state expenditures from the Lottery for Education Account will be \$100,100.

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- Under current law, student responses are verified automatically at the federal level when included on a FAFSA. However, if this information is provided on the alternative form, the non-financial information will require verification through an alternative process. TSAC estimates that such verification will be performed by an independent vendor, resulting in a recurring increase in state expenditures from the Lottery for Education Account of \$75,000 beginning in FY12-13 and continuing in subsequent years.
- The short form will be developed during FY12-13 for implementation in the 2013-2014 academic school year.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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